(c) whether Government would intervene and withdraw charging the passengers by DIAL; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Yes, Sir.

(b) Due to reduced expectation from refundable security deposits as a means of finance, development fee (DF) on *ad-hoc* basis for 36 months has been levied to bridge the funding gap.

(c) No, Sir.

(d) The completion of modernisation of IGI Airport, New Delhi, in a time bound manner, is of paramount importance specially in view of the Commonwealth Games 2010.

Demand of equity infusion by NACIL for expansion programme

281. SHRI N.R. GOVINDARAJAR: Will the Minister of CIVIL AVIATION be pleased to states:

(a) whether the National Aviation Company of India Ltd. (NACIL) has demanded equity infusion of Rs.1231 crores to help its expansion programme and Rs.2750 crores in the form of a soft loan on easy terms;

(b) if so, the details thereof;

(c) whether it is a fact that the country's flag carrier had registered a loss of over 4000 crores in 2008-09; and

(d) if so, the details thereof and the steps taken by Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) Yes, Sir. National Aviation Company of India Limited submitted a proposal in October, 2008 for equity infusion of Rs.1,231 crores and provision of soft loan of Rs.2,750 crores, with an interest of approximately 5%, payable over 15 years.

(c) and (d) Yes, Sir. As per provisional estimates, NACIL is expected to register a loss of approximately Rs.5000 crores in 2008-09 largely due to high operating expenses, which have been compounded due to the present economic recession resulting in a drop of passengers, as also the high oil prices last year alongwith the servicing of debt on account of acquisition programme. NACIL has been advised to formulate a concrete proposal for equity infusion and provision of soft loans.

National Civil Aviation Policy

282. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether much awaited National Civil Aviation Policy is expected to be put on fast track;

(b) if so, the details in this regard;

(c) what are the problems with which the sector is besieged, as per the memorandum submitted by aviation industry experts;

(d) whether a regulatory authority on the lines of the Telecom Regulatory Authority of India (TRAI) would also be considered by Government; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) Most of the issues which are *inter-alia* as under set forth in the proposed National Civil Aviation Policy have already been implemented:

(i) Revised FDI Policy for airports has been put in place *vide* which 100% FDI, through automatic route, has been permitted in Greenfield airports.

(ii) FDI requirements for air transport side of civil aviation have been revised and separate limits have been prescribed in respect of different sectors such as cargo, airlines, non-scheduled operators, MRO etc.

(iii) Greenfield Airport Policy has been announced, which lays down policy guidelines for establishment of new airports.

(iv) Relaxed procedure for establishment of private airports for private use has been announced.

(v) The statute for establishment of economic regulator for the airports *viz.*, Airports Economic Regulatory Authority (AERA) has been passed by the Parliament and notified on 05.12.2008.

(vi) Private domestic airlines have been permitted to fly on overseas routes subject to specified guidelines. Further, bilateral arrangements with other countries have been gradually liberalized. These initiatives have enabled considerably better international connectivity.

(vii) Air India and Indian Airlines have been merged to create a strong and efficient national carrier.

(viii) A new Flying Training Institute has been established at Gondia, Maharashtra. Further, Indira Gandhi Rashtriya Uran Akademi has been restructured. These measures would help in putting in place better training infrastructure for technical manpower in the aviation sector.

In view of the above, National Civil Aviation Policy is on fast track.

(c) The major problems which the sector is besieged with are the decline in passenger, price of ATF and its impact on the operating cost of airlines, resulting into huge losses.

(d) and (e) (i) The statute for establishment of economic regulator for the airports viz., Airports Economic Regulatory Authority (AERA) has been passed by the Parliament and notified on 05.12.2008. (ii) As per policy, Government does not interfere in commercial matter of private airlines. However, there are sufficient number of rules/regulations and legislations to regulate the aviation industry in general and airlines sector in particular.